

HOOPER, LUNDY & BOOKMAN, INC.
180 MONTGOMERY STREET, SUITE 1000
SAN FRANCISCO, CALIFORNIA 94104
TEL: (415) 875-8500 • FAX: (415) 875-8519

MARK E. REAGAN (State Bar No. 143438)
FELICIA Y SZE (State Bar No. 233441)
HOOPER, LUNDY & BOOKMAN, INC.
180 Montgomery Street, Suite 1000
San Francisco, California 94104
Telephone: (415) 875-8500
Facsimile: (415) 875-8519
E-Mail: fsze@health-law.com

Attorneys for HORIZON WEST, INC., AND HORIZON
WEST HEALTHCARE, INC., formerly known as
HORIZON WEST HEADQUARTERS, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA,
OAKLAND DIVISION

UNITED STATES ex rel. JULIA LEE,

Plaintiffs,

vs.

HORIZON WEST, INC., and HORIZON
WEST HEALTHCARE, INC., formerly
known as HORIZON WEST
HEADQUARTERS, INC.,

Defendants.

CASE NO. C 00-2921 SBA

**Stipulated Request for Conditional
Dismissal and Order**

Defendants Horizon West, Inc. and Horizon West Healthcare, Inc., formerly known as
Horizon West Headquarters, Inc. (collectively, "Horizon West"), Plaintiff United States, and
Relator Julia Lee by and through their respective attorneys of record, hereby stipulate as follows:

WHEREAS, the parties in this case have come to a substantial agreement to a settlement of
the above-captioned case; and

WHEREAS, the parties are currently in the process of finalizing the terms of the settlement
agreement and obtaining the requisite approvals; and

WHEREAS, Horizon West is simultaneously negotiating a Corporate Integrity Agreement
with the Department of Health and Human Services that Horizon West desires to execute
simultaneously with any settlement agreement in the above-captioned action; and

HOOPER, LUNDY & BOOKMAN, INC.
180 MONTGOMERY STREET, SUITE 1000
SAN FRANCISCO, CALIFORNIA 94104
TEL: (415) 875-8500 • FAX: (415) 875-8519

1 WHEREAS Horizon West predicts that the process of negotiating and finalizing a
2 Corporate Integrity Agreement will continue until approximately August 28, 2006; and

3 WHEREAS the parties are mutually committed to resolving this matter; and

4 WHEREAS, continuing litigation in this case would likely impair the parties' attempts to
5 settle this matter; and

6 WHEREAS, the parties agree that there should be a conditional dismissal through and
7 including September 8, 2006; and

8 WHEREAS, the parties understand that a conditional dismissal would vacate the deadlines
9 currently set in this case, but prior to September 8, 2006, any party could either make a motion to
10 resume litigation or request a case management conference to re-schedule the case and this Court
11 would so grant the request to continue litigation; and

12 WHEREAS, upon either this Court's order granting a motion by any party to vacate the
13 conditional dismissal and resume litigation or this Court's order rescheduling the case following a
14 case management conference request by any party, the parties agree that all deadlines for
15 discovery and motions will reflect the existing amount of time currently available to the parties as
16 of the date that this stipulation is being filed with the Court; and

17 WHEREAS, if a conditional dismissal were entered and if the case were re-scheduled, the
18 litigation would continue as if the conditional dismissal had not been entered; and

19 WHEREAS, Horizon West agrees to waive any statute of limitations, laches, or other time-
20 related defenses based on the passage of time due to the conditional dismissal should the
21 conditional dismissal be vacated and the litigation is resumed; and

22 WHEREAS, the parties agree that if the parties have not executed a settlement agreement
23 by August 28, 2006, the parties will stipulate to request that the Court conduct a case management
24 conference to re-schedule the case in a manner that maintains the status quo of all deadlines such
25 that the deadlines reflect the existing amount of time currently available to the parties as of the
26 date this stipulation is being filed with the Court; and

27 WHEREAS, following the settlement of the action, the parties anticipate that the only
28 remaining issue, if any, will be for the Court to determine the applicable relator share percentage;

1 and

2 WHEREAS, good cause exists to grant a conditional dismissal of this case based on the
3 parties' good faith belief that they will resolve their disputes without the need for further Court
4 intervention, thereby eliminating the need for use of the Court's limited resources;

5 IT IS HEREBY STIPULATED THAT:

6 1. The parties hereby respectfully request that the Court enter the attached Order for
7 Conditional Dismissal.

8 Respectfully submitted,

9 DATED: June ___, 2006

HOOVER, LUNDY & BOOKMAN, INC.

10

11 By: _____

FELICIA Y SZE

12 Attorneys for Horizon West, Inc., and Horizon West
13 Healthcare, Inc., formerly known as Horizon West
Headquarters, Inc.

14 DATED: June ___, 2006

PETER D. KEISLER
Assistant Attorney General

16 KEVIN V. RYAN
United States Attorney

17

18 By: _____

SARA WINSLOW

19 Assistant United States Attorney

20

21 By: _____

MICHAEL F. HERTZ
POLLY A. DAMMANN
SUZETTE E. GORDON

23 Civil Division, Department of Justice
24 Attorneys for the United States

24

25

26

27

28

HOOVER, LUNDY & BOOKMAN, INC.
180 MONTGOMERY STREET, SUITE 1000
SAN FRANCISCO, CALIFORNIA 94104
TEL: (415) 875-8500 • FAX: (415) 875-8519

HOOPER, LUNDY & BOOKMAN, INC.
180 MONTGOMERY STREET, SUITE 1000
SAN FRANCISCO, CALIFORNIA 94104
TEL: (415) 875-8500 • FAX: (415) 875-8519

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: June __, 2006

WARREN LAW FIRM

By: _____
DONALD R. WARREN
Attorneys for Relator Julia Lee

[PROPOSED] ORDER

Pursuant to stipulation, and for good cause shown, IT IS HEREBY ORDERED that this Court shall enter a conditional dismissal through and including September 8, 2006, subject to the following:

1. Prior to the exhaustion of the conditional dismissal on September 8, 2006, any party may make a motion to resume litigation or request a case management conference to re-schedule the pending case, and this Court shall lift the conditional dismissal and litigation will resume;

2. If the conditional dismissal is lifted, the litigation would continue as if the conditional dismissal had not been entered, and all deadlines for discovery and motions will reflect the existing amount of time currently available to the parties as of the date that this stipulation is being filed with the Court;

3. Upon the exhaustion of the conditional dismissal on September 8, 2006, absent any request from any party for a case management conference to re-schedule the pending case, the conditional dismissal shall become a final dismissal. The Court shall retain jurisdiction to resolve any post-settlement motion for an award of relator share.

DATED: June _12, 2006

By: _____

Saundra B. Armstrong
The Hon. Saundra B. Armstrong

HOOPER, LUNDY & BOOKMAN, INC.

180 MONTGOMERY STREET, SUITE 1000

SAN FRANCISCO, CALIFORNIA 94104

TEL: (415) 875-8500 • FAX: (415) 875-8519